

## Budget-in-Detail

<ul style="list-style-type: none"> <li>Update Medical Necessity and Appropriateness Definition under Medicaid</li> </ul> <p>Under this proposal, DSS will replace the current outdated medical necessity definition under Medicaid with the definition that has been in effect for the State Administered General Assistance medical program since January 2005. The revised medical necessity definition combines the concepts of medical necessity and appropriateness as is done in Medicare and under most public sector and commercial health care programs. The proposed definition incorporates the principle of providing services which are "reasonable and necessary" or "appropriate" in light of clinical standards of practice.</p>	-4,500,000	-9,000,000
<ul style="list-style-type: none"> <li>Remove Rate Add for Boarding Homes</li> </ul> <p>Under current statute, DSS is required to annually determine rates for various boarding homes. Per DSS regulations, boarding home rate increases are based on actual cost reports submitted by facilities, barring any legislation to remove rate increases for a particular fiscal year. This proposal eliminates the rate increases that have been included in the Current Services budget for boarding homes.</p>	-4,470,009	-9,278,478
<ul style="list-style-type: none"> <li>Reduce Dispensing Fees Paid to Pharmacy Providers</li> </ul> <p>Under this proposal, the dispensing fee paid to pharmacy providers for each prescription filled under the department's pharmacy programs will be reduced from \$3.15 to \$2.15. This level is in line with the dispensing fees paid by most commercial health insurers.</p>	-4,130,000	-4,520,000
<ul style="list-style-type: none"> <li>Limit Inappropriate Nursing Home Placements &amp; Enhance Efforts to Ensure the Financial Viability of the State's Nursing Homes</li> </ul> <p>To prevent individuals from inappropriate nursing home admission, funding has been provided to develop a state-of-the-art, online screening system, which will allow DSS to assume responsibility for screening individuals with mental illness and mental retardation for appropriateness for nursing home placement. Over the next five years, the enhanced screening process is expected to identify over 300 individuals who could be better served in community rather than institutional settings. This initiative, along with Money Follows the Person, will allow the department to strengthen community placements and reduce the reliance on higher costing institutional care. In addition, five positions are provided to DSS to perform a detailed assessment of nursing homes in financial distress including the review of audited financial statements, vendor payments and employee payrolls. This will allow for a reduction in hardship payments. For homes where DSS determines that hardship rates will have limited effect, the department will focus on financial solvency with the goal to remove inefficient, financially troubled homes. The savings reflected in the budget assumes the closure of approximately 100 nursing home beds in FY2011, with additional closures in the future.</p>	-3,800,000	-8,300,000
<ul style="list-style-type: none"> <li>Cap Medicare Part D Co-payment Coverage for Dually Eligible Clients</li> </ul> <p>As of 2007, Connecticut was one of only eight states covering the costs of the Medicare Part D co-payments for persons dually eligible for Medicare and Medicaid. DSS is covering the costs of the Part D prescription co-pays, which range from \$1.10 to \$6.00 in 2009. Under this proposal, dually eligible clients will be responsible for paying up to <u>\$20 per month</u> in Medicare co-pays for Part D-covered drugs.</p>	-3,700,000	-4,000,000
<ul style="list-style-type: none"> <li>Remove Rate Add for Intermediate Care Facilities</li> </ul> <p>To comply with DSS' regulations, the Current Services budget includes a 4.7% and 4.9% increase in FY2010 and FY2011, respectively, for Intermediate Care Facilities for those with developmental disabilities based on the anticipated increase in the gross national product (GNP) deflator. These rate increases are eliminated over the biennium.</p>	-2,858,900	-6,189,600
<ul style="list-style-type: none"> <li>Create a Community and Social Services Block Grant</li> </ul> <p>Under this proposal, funding from a variety of non-entitlement programs within DSS will be reallocated into a Community and Social Services Block Grant. Approximately \$7.5 million in funding will be distributed according to a plan developed by regional planning organizations, subject to review and approval by the Department of Social Services, the Office of Policy and Management and the legislative committees of cognizance. This will impact the following accounts: Human Resource Development - General and Hispanic, Human Services Infrastructure/Community Action Program, Community Services, Teen Pregnancy Prevention and Services to the Elderly.</p>	-2,538,490	-2,538,490
<ul style="list-style-type: none"> <li>Limit Maximum Allowable Cost Reimbursement for Certain Drugs</li> </ul> <p>Maximum Allowable Cost (MAC) programs are designed to ensure state Medicaid programs pay appropriate prices for generic and multi-source brand drugs. This proposal revises MAC reimbursement under DSS' pharmacy programs from the average wholesale price (AWP) minus 40% to AWP minus 50%.</p>	-2,000,000	-2,190,000
<ul style="list-style-type: none"> <li>Eliminate Self-Declaration Provisions at Application and Redetermination</li> </ul> <p>In FY2002, DSS implemented new verification procedures for the HUSKY A program that allow the department to accept a client's self-declaration of income. Under this policy, DSS does not verify the information provided unless the department believes such declaration to be inaccurate. This proposal eliminates the self-declaration provision.</p>	-2,000,000	-2,000,000